

FAEGRE DRINKER BIDDLE & REATH LLP

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Whitebox Asymmetric Partners, LP; Hain
Capital Investors Master Fund, Ltd. and; Cherokee
Debt Acquisition, LLC*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

SEARS HOLDINGS CORPORATION, et al.,

Debtors.¹

Chapter 11

Case No. 18-23538 (RDD)

(Jointly Administered)

**VERIFIED STATEMENT OF FAEGRE DRINKER BIDDLE & REATH LLP
PURSUANT TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 2019**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtors' federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC (5554); Sears STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816).

In connection with the above chapter 11 cases (the “Chapter 11 Cases”), Faegre Drinker Biddle & Reath LLP (“Faegre Drinker”) hereby submits this verified statement (“Statement”) pursuant to Rule 2019 of the Federal Rules of Bankruptcy Procedure (“Bankruptcy Rule 2019”) in connection with Faegre Drinker’s representation of Whitebox Multi-Strategy Partners, LP (“Whitebox Multi-Strategy”), Whitebox Asymmetric Partners, LP (“Whitebox Asymmetric”), Hain Capital Investors Master Fund, Ltd. (“Hain Capital”), and Cherokee Debt Acquisition, LLC (“Cherokee Debt”) (collectively, the “Ad Hoc Group of Admin Claimants”), and respectively states as follows:

1. As of the date of this Statement, in these Chapter 11 Cases, Faegre Drinker represents Whitebox Multi-Strategy, Whitebox Asymmetric, Hain Capital and Cherokee.

2. On or about August 5, 2022, the Ad Hoc Group of Admin Claimants retained Faegre Drinker to represent it in its application for entry of an order allowing as an administrative priority claim, and authorizing the Debtors to reimburse, the reasonable fees and expenses incurred by the Ad Hoc Group of Admin Claimants for making a substantial contribution in these Chapter 11 Cases (the “Substantial Contribution Claim”).

3. Upon information and belief formed after due inquiry, Faegre Drinker does not hold any disclosable economic interests (as that term is defined in Bankruptcy Rule 2019(a)(1)) in relation to the Debtors.

4. The members of the Ad Hoc Group of Admin Claimants hold disclosable economic interests, or are the investment advisors or managers of accounts that hold disclosable economic interests, in relation to the Debtors. In accordance with Bankruptcy Rule 2019, the address and nature and amount of all disclosable economic interests for each member is set forth in Exhibit A. The information contained in Exhibit A is based upon information provided by the Ad Hoc Group

of Admin Claimants to Faegre Drinker, and is subject to change.

5. Nothing in this Statement, including Exhibit A hereto, should be construed as a limitation upon, or waiver of, the right of any member of the Ad Hoc Group of Admin Claimants to assert, file and/or amend its claims in accordance with applicable law and any orders entered in these cases.

6. The undersigned verify that the foregoing is true and correct to the best of their knowledge.

7. Counsel reserves the right to amend or supplement this Statement.

Dated: August 23, 2022
New York, New York

FAEGRE DRINKER BIDDLE & REATH LLP

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Acquisition, LLC*

EXHIBIT A
Nature and Amount of Disclosable Economic Interests²

Name³	Address	Nature and Amount of Disclosable Economic Interest
Whitebox Multi-Strategy Partners, LP	c/o Whitebox Advisors LLC 3033 Excelsior Blvd., Suite 500 Minneapolis, MN 55416	Allowed Administrative Expense Claim in the face amount of \$22,488,697.63 ⁴ , a general unsecured claim in the amount of \$3,959,554.30 and Pro Rata Portion of Substantial Contribution Claim for \$750,000
Whitebox Asymmetric Partners, LP	c/o Whitebox Advisors LLC 3033 Excelsior Blvd., Suite 500 Minneapolis, MN 55416	Pro Rata Portion of Substantial Contribution Claim for \$750,000 ⁵
Hain Capital Investors Master Fund, Ltd.	Meadows Office Complex 301 Route 17 North Rutherford, NJ 07070	Allowed Administrative Expense Claim in the face amount of \$9,010,639.33 ⁶ and Pro Rata Portion of Substantial Contribution Claim for \$750,000
Cherokee Debt Acquisition, LLC	c/o Cherokee Acquisition 1384 Broadway, Suite 906 New York, NY 10018	Allowed Administrative Expense Claim in the face amount of \$533,555.00 ⁷ , a general unsecured claim in the amount of \$157,304.40 and Pro Rata Portion of Substantial Contribution Claim for \$750,000

² To the best of Faegre Drinker's knowledge, the information herein is accurate as of August 19, 2022.

³ The entities listed are the holders of, or investment advisors or managers of accounts that hold, the listed Disclosable Economic Interests.

⁴ Whitebox Multi-Strategy has received distributions on account of the administrative expense claim and its recovery is capped at 75%.

⁵ Whitebox Asymmetric had \$8,676,589.32 of Administrative Expense Claims, before accounting for distributions received, and with recovery capped at 75%. Whitebox Asymmetric sold all of its Administrative Expense Claims on Oct. 7, 2021. See ECF Nos. 9878-9922. Whitebox Asymmetric retained its pro rata portion of the Substantial Contribution Claim

⁶ Hain Capital has received distributions on account of the administrative expense claim and its recovery is capped at 75%.

⁷ Cherokee Debt has received distributions on account of the administrative expense claim and its recovery is capped at 75%.